

**CITY OF NEWPORT BEACH**  
**PLANNING COMMISSION STAFF REPORT**

March 3, 2011 Meeting  
Agenda Item No. 2

**SUBJECT:** General Plan Annual Progress Report including Housing Element Report (PA2007-195)

**PLANNER:** Melinda Whelan, Assistant Planner  
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**RECOMMENDATION**

Receive and file.

**DISCUSSION**

Government Code Section 65400 mandates that the City prepare an annual report on the status of the General Plan and the progress of implementation. Specific requirements are included in the report which are mandated by Government Code Section 65400(B) and Government Code Sections 65583 and 65584, relating to implementation of the Housing Element of the General Plan. The report will be submitted to the City Council and a copy is required to be sent to the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD).

The General Plan Annual Progress Report (Attachment No. PC 1) follows preparation guidelines set forth by OPR and provides information for decision makers on the status of the General Plan and progress on implementation during the 2010 calendar year. Not all Implementation Programs are included. Implementation Programs on the General Plan Implementation Task List created by the General Plan/Local Coastal Program Implementation Committee were reviewed. The list created by the Committee identified the priority General Plan Implementation Program tasks to implement the General Plan.

As mandated by Government Code Sections 65583 and 65584, the Housing Element Report of the General Plan Annual Progress Report demonstrates the City's progress in meeting its share of regional housing needs and Housing Element programs. As recommended by Government Code Section 65400(B) staff used guidelines provided by HCD to prepare this Report. The Housing Element section includes the following information:

- A. Annual building activity reports for new housing units;
- B. Regional housing needs allocation progress; and
- C. Program implementation status including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.

Environmental Review

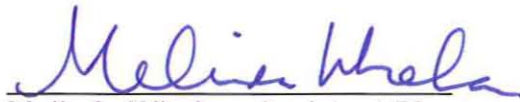
The Report is not subject to CEQA, as the actions are not a project as defined in Section 15378(b) (2) of the Public Resources Code.

Noticing

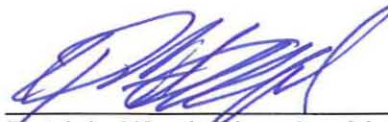
The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the Planning Commission considers the item).

Prepared by:

Submitted by:



Melinda Whelan, Assistant Planner



Patrick Alford, Planning Manager

**ATTACHMENTS**

PC 1 General Plan Annual Progress Report (Including Housing Element Report)

# **Attachment No. PC 1**

General Plan annual Progress Report  
(Including Housing Element Report)



# **CITY OF NEWPORT BEACH**

## **GENERAL PLAN ANNUAL PROGRESS REPORT**

### **(Including Housing Element Report)**

**2010 Calendar Year**

Consistent with Government Code Section 65400, the General Plan Annual Progress Report was prepared using guidelines set forth by OPR and provides information for decision makers on the status of the General Plan and progress on implementation during the 2010 calendar year. The updated Newport Beach General Plan was adopted in November 2006 pursuant to guidelines provided in Government Code Section 65040.2 and consistent with Section 65400(a)(2)(c). On December 12, 2006, City Council created the General Plan/Local Coastal Program Implementation Committee for the purpose of guiding implementation of the General Plan and Local Coastal Plan. The Committee created the General Plan Implementation Task List to implement the General Plan. This report evaluates and provides the status of work on each task as well as on other tasks not included on the Task List.

The Housing Element Report addresses specific requirements mandated by Government Code Section 65400(a)(2), Government Code Sections 65584 and 65583, and can be found following the General Plan Implementation tasks.

#### **A. GENERAL PLAN IMPLEMENTATION TASKS**

<b>TASKS</b>		<b>STATUS</b>
1.	Interim zoning resolution including the ability to require development agreements. (Land Use Element)	<b><i>Complete</i></b>  City Council approved Ordinance No. 2006-07 amending Chapter 15.45 of the Municipal Code regarding development agreements in 2006. City Council adopted an interim zoning resolution in 2007 which included the ability to require development agreements through

		<p>an interim study .Two Interim Study Overlays were processed in 2010:</p> <ul style="list-style-type: none"> <li>▪ To allow mixed uses consistent with a MU-W2 (Mixed-Use Water Related) land use designation, which were not permitted uses under the existing Retail and Service Commercial (RSC) Zoning District. The project involved the renovation of an existing 5-story office building.</li> <li>▪ To allow a food processing use consistent with an Industrial (IG) land use designation, which was not a permitted use under the existing Controlled Manufacturing (M-1-A) Zoning District. The project allowed for a winery.</li> </ul> <p>Upon approval of the comprehensive Zoning Code Update in October, 2010, the interim study overlay zoning resolution is no longer active or needed as the Update provides zoning designations consistent with the 2006 General Plan update.</p>
2.	Procedures to implement single- and two-family design policies. (Land Use Element)	<p><b>Complete</b></p> <p>The Zoning Code Update added design criteria for single and two-unit residential development. Implementation is ongoing.</p>
3.	Zoning Code and Specific Plan rewrite. (Land Use Element)	<p><b>Complete</b></p> <p>The comprehensive Zoning Code Update was adopted by City Council on October 26, 2010. Six of the Specific Plans were incorporated into other residential zoning districts and Santa Ana Heights Specific Plan was revised and maintained in the updated Zoning Code.</p>

4.	Housing Element certification by the Department of Housing and Community Development (HCD) (Housing Element)	<p><b>Pending</b></p> <ul style="list-style-type: none"> <li>▪ The Draft Housing Element was re-submitted to HCD for their review and consideration in September of 2010.</li> <li>▪ Staff is currently in the process of working with HCD to finalize required changes to Draft No. 3 and anticipates completing the revisions and resubmitting a revised draft to HCD by February 11, 2011.</li> </ul>
5.	Economic Development Strategic Plan Implementation (Land Use Element)	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>▪ Bi-annually update the Strategic Plan Implementation schedule, which includes objectives from the plan and a time line with allocated staff hours.</li> <li>▪ Objective 2.2 Newport Center/Fashion Island renovations (Phase I) are complete. Phase II, a renovation of the movie theaters has begun.</li> <li>▪ The City Council adopted the funding criteria, an application form, and procedures developed by the Special Events Advisory Committee (SEAC). The SEAC reviewed funding request applications and made recommendations to the City Council on special event funding prior to adoption of the 2010-2011 budget.</li> <li>▪ Provided data and background information for development of the Lido Village Concept Plan, including input to departments for review of</li> </ul>

		concept options.
6.	Fair Share Fee update (Circulation Element)	<p><b>Pending</b></p> <p>Consultants hired by the City continue to work towards completion and adoption is anticipated in early 2011.</p>
7.	Airport Area infrastructure study and fee (s) (Land Use Element)	<p><b>Pending</b></p> <p>Infrastructure recommendations have been prepared by ROMA Design Group. On September 22, 2010, the General Plan/Local Coastal Program Implementation Committee discussed the need to approve an improvement plan and develop a fee at this time, with little expressed interest in residential development on the southwest side of MacArthur Boulevard. By consensus, the Committee tabled the item.</p>
8.	Inclusionary Housing Ordinance and In-lieu fee (Housing Element)	<p><b>Complete</b></p> <p>On May 11, 2010, the City Council adopted Ordinance No. 2010-9 adding a new chapter to the City's Subdivision Code which provides the legal justification for requiring in-lieu fees and procedures for the implementation of Housing Program 2.2.1. The Inclusionary Housing Chapter requires developers of residential subdivisions to facilitate production of affordable units in numbers equal to 15 percent of the number of for-sale market rate units produced. Affordable, for-sale units will be required to be sold at prices affordable for moderate-income households. If a subdivision developer chooses to provide affordable rental units, the rate shall be affordable to very-low or low-income households. In all cases, the affordable units shall be legally restricted to occupancy by, and affordable to, households of the</p>

		income levels for which the affordable units were designated for a minimum duration of 30 years.
9.	Parking requirements and management (Circulation Element)	<p><b>On-going</b></p> <ul style="list-style-type: none"> <li>▪ Policy issues related to implementation measures to form a parking management district in the Balboa Village area were presented to City Council at study session in September 2010. Subsequently, staff was directed to focus first on a Balboa Village Vision Plan, which might include a parking management district.</li> <li>▪ The Balboa Market building was razed for construction of the parking lot at 608 E. Balboa Blvd. and 209 Washington St. The parking lot was opened to the public in December 2010.</li> </ul>
10.	Local Coastal Program Land Use Plan Amendments - Amend CLUP for consistency with General Plan Land Use Element (Land Use Element)	<p><b>Complete</b></p> <p>The follow-up General Plan Amendment Nos. GP2010-001, 004, 005, 006, 007, 008 (PA2010-052) within the Land Use Element were adopted by City Council on September 14, 2010, to eliminate several inconsistencies in land use designations.</p>
11.	Traffic signal synchronization (Circulation Element)	<p><b>Pending</b></p> <ul style="list-style-type: none"> <li>▪ Phases 2 and 3 were completed in April 2010.</li> <li>▪ Phases 4 and 7 are anticipated to be completed in early 2011.</li> <li>▪ Phase 5 is in design and the construction contract is anticipated to be awarded by the City Council in April 2011.</li> </ul>



12.	Planned Community rewrite and revisions (Land Use Element)	<p><b><i>On-going</i></b></p> <ul style="list-style-type: none"> <li>▪ Property owners are responsible for amendments in the North Newport Center and Airport Area and revisions to other Planned Community texts have been put on hold due to budget constraints.</li> <li>▪ The City prepared a conceptual development plan for Koll and Conexant (Airport Area). Based on the conceptual development plans they were preparing Planned Community amendments however, per the applicants request the projects were placed on-hold.</li> <li>▪ Banning Ranch application includes the development of a Planned Community Development Text and the draft EIR is anticipated to be circulated in Spring 2011.</li> </ul>
13.	Banning Ranch Pre-Annexation and Development Agreement (Land Use Element)	<p><b><i>Pending</i></b></p> <ul style="list-style-type: none"> <li>▪ Notice of Preparation of EIR released in March 2009.</li> <li>▪ Environmental Scoping meeting held in April 2009.</li> <li>▪ Report of Funding Feasibility for Open Space Acquisition at City Council Study Session August 2009.</li> <li>▪ City Council approved the water supply assessment in October 2010, concluding that there will be adequate water supplies to meet the demands of the Banning Ranch project.</li> <li>▪ The draft EIR is anticipated to be circulated in Spring 2011.</li> </ul>
14.	Acquisition for Open Space – support active pursuit of Banning Ranch as	<p><b><i>Ongoing</i></b></p>

	permanent open space (Land Use Element)	<ul style="list-style-type: none"> <li>The exploration for the acquisition of Banning Ranch is continual, but to date, no funding sources have been identified.</li> </ul>
15.	Harbor Area Management Plan (HAMP) (Harbor and Bay Element)	<p><b>Complete</b></p> <p>Council approved HAMP in November 2010.</p>
16.	Run-off and Pollution Reduction Plan (Natural Resources Element)	<p><b>On-going</b></p> <ul style="list-style-type: none"> <li>Continued compliance SARWQCB Water Quality Order No. R8-2009-0030 NPDES No. CAS618030 which is the storm water permit issued by the Santa Regional Water Quality Control Board (SRWQB).</li> </ul> <p>The following actions were taken in using water more efficiently to result in lowered pollutant loads from entering storm drains and ultimately the bay and ocean:</p> <ul style="list-style-type: none"> <li>Coordinated the Water Supply Implementation Plan.</li> <li>Continued Tiered Water Rate Development.</li> <li>Implemented action to comply with SB-7 Governors Water Reduction of 20% by 2020.</li> <li>Pursuant to the Prop. 84 Grant, implemented water use efficiency and runoff reduction components throughout Newport Beach's Areas of Special Biological</li> </ul>

		<p>Significance (ASBS) watershed.</p> <ul style="list-style-type: none"> <li>Submitted 2010 Urban Water Management Plan (UWMP) to the Department of Water Resources.</li> </ul>
17.	Land Use database refinements and maintenance (Land Use Element)	<p><b>On-going</b></p> <p>Maintenance and updates of databases are on-going.</p>
18.	Measure S guidelines regarding variable FAR (Land Use Element)	<p><b>Complete</b></p> <p>Amendments to City Council Policy Manual adopted in August 2009.</p>
19.	Building Code amendments regarding green buildings (Land Use Element)	<p><b>Ongoing</b></p> <p>The Task Force on Green Development ended in 2009 and recommendations were made to the City Council to incorporate the following measures as an amendment to the California Green Building Standards Code:</p> <ul style="list-style-type: none"> <li>For residential - energy star designation for all appliances, establish a maximum kitchen faucet flow rate and dishwasher water use, and a minimum efficiency rating value air filter for HVAC equipment.</li> <li>For nonresidential – control storm water runoff quantity and quality, energy star equipment and appliances if available, energy saving controls for buildings with one or more elevators or escalators, reduce water of commercial clothes washer by 10% below CEC standard, and reduce water for commercial dishwashers consistent with the Green building Code.</li> <li>City Council adoption is</li> </ul>

		anticipated early 2011.
20.	Amend City Council Policies on historic, archaeological and paleological resources (Historical Resources Element)	<b><i>Not Started</i></b>
21.	Funding and priority program for construction of noise barriers along arterials (Noise Element)	<b><i>Not started</i></b>
22.	Annual Review of CIP to determine consistency with the General Plan and Coastal Land Use Plan (Land Use Element)	<b><i>Ongoing</i></b>  On June 3, 2010, staff presented CIP for fiscal year 2010-2011 to the Planning Commission for review. The Planning Commission provided comment and the CIP was included with the CIP budget presentation to the City Council.
23.	Emergency Preparedness (Safety Element)	<b><i>Ongoing</i></b> <ul style="list-style-type: none"> <li>▪ The City's comprehensive Emergency Management Plan (EMP) was updated. The EMP is a legal document required by the California Emergency Management Agency (Cal EMA). The last update was in 2004. The EMP had to be completely revised due to the creation of the National Incident Management System (NIMS) and many changes at the federal, state, and local level. The updated Plan will be sent to the State for approval in February 2011, and then to the City Council for final approval.</li> <li>▪ On October 28, 2010, the annual City-wide Emergency Operations Center (EOC) drill was held. At the request of city management, a "back to basics" approach was taken due to the large number of new EOC staff.</li> </ul>

		<p>The Drill involved 108 city staff members as well as many Community Emergency Response Team (CERT), Volunteers in Police Service (VIPs) and Radio Amateur Civil Emergency Service (RACES) volunteers. A critique was conducted at the end of the drill and a Corrective Action Plan was created to address any problems or suggestions.</p> <ul style="list-style-type: none"> <li>• The County proclaimed a "Local Emergency" on behalf of all cities in Orange County, which prompted the State to proclaim a "State of Emergency" due to flooding from heavy rains and the City was able to seek 75% reimbursement for all costs related to the storm damage. The storm damage reimbursement allowed the Fire Department to replace the main roof at Lifeguard Headquarters and to repair several fire stations. To date, the City has applied for \$183,902 from the State to reimburse the City's General Fund for expenses incurred by the January, 2010, Winter storms.</li> </ul>
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**B. GENERAL PLAN POLICY IMPLEMENTATION TASKS NOT INCLUDED ON THE GP/LCP TASK LIST**

TASKS		STATUS
1.	Priority for Facility Provision Parks and Recreation (Recreation Element)	<p><b><i>Ongoing</i></b></p> <ul style="list-style-type: none"> <li>▪ Sunset Ridge Park - Currently working on obtaining all necessary permits including California Coastal Commission (CCC) and construction is anticipated to begin Fall</li> </ul>

		<p>2011.</p> <ul style="list-style-type: none"> <li>▪ Banning Ranch - draft plans include 52 acres of park and open space areas. The draft EIR is anticipated to be circulated in Spring 2011.</li> </ul>
2.	Alternative Transportation Modes (Circulation Element)	<p><b>Ongoing</b></p> <p>Task Force on Cycling Safety made the following recommendations in a final report to City Council on May 11, 2010:</p> <ul style="list-style-type: none"> <li>▪ <b>Education and Outreach</b> - update the City's bicycle trails map, disseminate bicycle safety information, increase participation and coordination with schools, update the City's master bike plan, and host coordination meetings with the Police Department and bicycle advocates.</li> <li>▪ <b>Road Improvements</b> - install improved signage, develop a sharrows program and guidelines, implement a sharrow demonstration project, and identify areas where auto traffic and bike traffic coordination could be improved.</li> <li>▪ <b>Encouraging Cycling</b> - develop a City bike rack policy, including design guidelines, promote a "Day without Cars" campaign with coordination with Bike to Work Week, and create a permanent city bicycle committee.</li> <li>▪ Pursuant to City Council guidance, based on these recommendations, a permanent bicycle committee was established in late 2010 to implement these recommendations.</li> </ul>

3.	<p>Provide a pedestrian-oriented village environment that reflects its waterfront location, providing a mix of uses that serves visitors and local residents in Lido Village. (Land Use Element)</p>	<p>Lido Marina Village Conceptual Plan:</p> <ul style="list-style-type: none"><li>▪ On July 27, 2010, the City Council designated an ad hoc committee consisting of Mayor Curry and Council Members Henn and Rosansky to participate in a conceptual planning process to analyze potential land use alternatives for the City Hall site, Lido Marina Village and Via Lido Plaza.</li><li>▪ The ad hoc committee along with representatives of Lido Marina Village and Via Lido Plaza retained a consultant and a design team from a competitive selection process to manage the overall effort and to develop the conceptual plans.</li><li>▪ A City Council Study Session was held on November 23, 2010, where two alternatives will be presented during the study session and these two alternatives are considered 90% complete. The design team received input from the City Council and the public to refine the concept plans.</li><li>▪ A public outreach meeting is scheduled for January 11, 2011, and a final presentation of the full study is planned to go to the City Council on January 25, 2011.</li></ul>
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# **CITY OF NEWPORT BEACH**

## **GENERAL PLAN ANNUAL PROGRESS REPORT**

### **Housing Element Report**

**2010 Calendar Year**

As required by Government Code Sections 65583 and 65584, the Housing Element Report demonstrates the City's progress in meeting its share of regional housing needs and Housing Element programs. As mandated by Government Code Section 65400, this report was prepared consistent with guidelines provided by the Department of Housing and Community Development (HCD).

The Housing Element report includes the following information:

- A. annual building activity reports for new housing units;
- B. regional housing needs allocation progress; and
- C. program implementation status including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.

#### **A. Annual Building Activity Reports for New Housing Units**

Data from the Newport Beach Building Department "Building Activity Report" was used to prepare the following table, illustrating the number of permits issued for construction of new housing units and for demolished housing units in calendar year 2010:

<b>PERMITS ISSUED FOR HOUSING UNITS</b>			
<b>2010</b>			
<b>CALENDAR YEAR</b>	<b>NEW UNITS</b>	<b>DEMOLISHED UNITS</b>	<b>NET INCREASE IN UNITS</b>
2010	63	65	-2



<b>ANNUAL BUILDING ACTIVITY REPORT FOR MODERATE INCOME UNITS 2010</b>							
	<b>1. SINGLE FAMILY</b>	<b>2. 2-4 UNITS</b>	<b>3. 5+ UNITS</b>	<b>4. SECOND UNIT</b>	<b>5. MOBILE HOMES</b>	<b>6. TOTAL</b>	<b>7. INFILL UNITS</b>
<b>NO. OF UNITS PERMITTED FOR MODERATE</b>	0	0	0	0	0	0	0
<b>NO. OF UNITS PERMITTED FOR ABOVE MODERATE</b>	51	6 (2-UNIT PROJECTS) = 12 TOTAL UNITS	0	0	0	0	63

## **B. REGIONAL HOUSING NEEDS ALLOCATION PROGRESS**

The Southern California Association of Governments (SCAG) prepared a Regional Housing Needs Allocation (RHNA) to identify the housing needs for each jurisdiction within the SCAG region. SCAG, through the RHNA process, assigned Newport Beach a share of the region's new housing units that should be constructed in the 2006-2014 planning period to satisfy housing needs resulting from projected growth in the region. To accommodate projected growth in the region, SCAG determined the City's share of RHNA to be 1,769 new dwelling units.

The Draft Housing Element (Draft No. 3) was re-submitted to HCD for their review and certification on February 11, 2011. Draft No. 3 addressed HCD required changes and recommendations that were provided on previous Draft No. 2.

The table, below, summarizes the City's share of RHNA for new housing construction, for households at different income levels, for the 2006-2014 Planning Period. Pursuant to HCD guidelines, it includes a carryover of the unaccommodated portion of the 2000-2005 RHNA allocation of 145 units.

<b>TOTAL RHNA CONSTRUCTION NEED BY INCOME 2006-2014</b>				
<b>VERY LOW</b>	<b>LOW</b>	<b>MODERATE</b>	<b>ABOVE MODERATE</b>	<b>TOTAL</b>
451	319	442	702	1,914
24%	17%	23%	36%	100%

CITY'S PROGRESS IN MEETING IT'S SHARE OF THE REGIONAL HOUSING NEEDS ASSESSMENT DURING RHNA PERIOD 2006-2014					
	VERY Low	Low	MODERATE	ABOVE MODERATE	TOTAL
<b>PROJECTED NEED</b>	451	319	442	702	1,914
<b>NEW UNITS PERMITTED (06-07)</b>	0	0	0	18	18
<b>NEW UNITS PERMITTED (07-08)</b>	0	0	0	10	10
<b>NEW UNITS PERMITTED (08-09)</b>	0	0	0	6	6
<b>NEW UNITS PERMITTED (09-10)</b>	0	0	0	0	0
<b>REMAINING NEED</b>	451	319	442	668	1,880

### C. PROGRAM IMPLEMENTATION STATUS/ LOCAL EFFORTS TO REMOVE GOVERNMENTAL CONSTRAINTS

PROGRAM	GOAL	STATUS
1.1.1	Improve housing quality and prevent deterioration of existing neighborhoods by strictly enforcing building code regulations and abating code violations and nuisances.	<b><i>On-going</i></b>  A quarterly report on code enforcement activities is available and kept on file at the City.
1.1.2	Participate with the Orange County Housing Authority (OCHA) and Housing and Community Development Division in their administration of rehabilitation loans and grants for low- and moderate-income homeowners and rental property owners to encourage preservation of existing City housing stock.	<b><i>On-going</i></b>  City staff attends OCHA's Cities Advisory Committee meetings to keep up to date on rehabilitation programs offered by the County in order to inform homeowners and rental property owners within the City of opportunities and to encourage preservation of existing housing stock.
1.1.3	Require replacement of housing demolished within the Coastal Zone when housing is or has been occupied by very-low, low-, and moderate-income households within the preceding 12 months. The City shall prohibit demolition unless a Coastal Residential Development (CRDP) Permit has been issued. The specific provisions implementing	<b><i>On-going</i></b>  The City uses Chapter 20.34 "Conversion or Demolition of Affordable Housing" to implement this program. No CRDPs were issued in 2010.

	replacement unit requirements are contained in the Zoning Code.	
PROGRAM	GOAL	STATUS
2.1.1	Maintain rental opportunities by restricting conversions of rental units to condominiums unless the vacancy rate in Newport Beach for rental housing is an average 5 percent or higher for four (4) consecutive quarters, and unless the property owner complies with condominium conversion regulations contained in Chapter 19.64 of the Newport Beach Municipal Code.	<b><i>On-going</i></b>  A vacancy rate survey is completed every quarter to monitor consistency with this policy. The results of the surveys conducted for the 2010 calendar year provided an average vacancy rate higher than 5 percent therefore, conversions are not restricted.
2.1.2	Take all feasible actions, through use of development agreements, expedited development review, and expedited processing of grading, building and other development permits, to ensure expedient construction and occupancy for projects approved with low- and moderate-income housing requirements.	<b><i>On-going</i></b>  No applications for construction of affordable housing were submitted.
2.1.3	Participate with the County of Orange in the issuance of tax-exempt mortgage revenue bonds to facilitate and assist in financing, development and construction of housing affordable to low and moderate-income households.	<b><i>On-Going</i></b>  The issuance of tax-exempt mortgage revenue bonds is project driven, and the developer typically applies for the bonds. No applications were received.
2.1.4	Conduct an annual compliance-monitoring program for units required to be occupied by very low-, low-, and moderate-income households.	<b><i>On-Going</i></b>  Annual compliance monitoring report for the City's income and rent restricted units was completed in November 2010 with follow-up continuing through early 2011 for one out of compliance affordable housing project.
2.2.1	Require a proportion of affordable housing in new residential developments or levy an in-lieu fee. The City's goal over the five-year planning period is for an	<b><i>On-going</i></b>  No projects were approved.

	<p>average of 15 percent of all new housing units to be affordable to very low-, low-, and moderate-income households. The City shall either (a) require the payment of an in-lieu fee, or (b) require the preparation of an Affordable Housing Implementation Plan (AHIP) that specifies how the development will meet the City's affordable housing goal, depending on the following criteria for project size:</p> <ol style="list-style-type: none"> <li>1. Projects of 50 or fewer units shall have the option of preparing an AHIP or paying the in-lieu fee.</li> <li>2. Projects where more than 50 units are proposed shall be required to prepare an AHIP. Implementation of this program will occur in conjunction with City approval of any residential discretionary permits or Tentative Tract Maps. To insure compliance with the 15 percent affordability requirements, the City will include conditions in the approval of discretionary permits and Tentative Tract Maps to require ongoing monitoring of those projects.</li> </ol>	<p>On May 11, 2010, the City Council adopted Ordinance No. 2010-9 adding a new chapter to the City's Subdivision Code implementing Housing Program 2.2.1 of the Housing Element. The Chapter provides the specific requirements necessary to implement the Housing Program. The Inclusionary Housing Chapter requires developers of residential subdivisions to facilitate production of affordable units in numbers equal to 15 percent of the number of for-sale market rate units produced. Affordable, for-sale units will be required to be sold at prices affordable for moderate-income households. If a subdivision developer chooses to provide affordable rental units, the rate shall be affordable to very-low or low-income households. In all cases, the affordable units shall be legally restricted to occupancy by, and affordable to, households of the income levels for which the affordable units were designated for a minimum duration of 30 years.</p>
2.2.2	<p>The City shall provide more assistance for projects that provide a higher number of affordable units or a greater level of affordability. At least 15 percent of units shall be affordable when assistance is provided from Community Development Block Grant funds or the City's in-lieu housing fund.</p>	<p><b><i>On-going</i></b></p> <p>No projects providing greater than the required affordability component were proposed.</p>
2.2.3	<p>For new developments proposed in the Coastal Zone areas of the City, the City shall follow Government Code Section 65590 and Title 20.</p>	<p><b><i>On-going</i></b></p> <p>See status of Program 1.1.3.</p>
2.2.4	<p>All required affordable units shall have restrictions to maintain their affordability for a minimum of 30 years.</p>	<p><b><i>On-going</i></b></p> <p>No new affordable units were approved.</p>

2.2.5	Advise existing landowners and prospective developers of affordable housing development opportunities available within the Banning Ranch, Airport Area, Newport Center, Mariners' Mile, West Newport, and Balboa Peninsula areas.	<p><b><i>On-going</i></b></p> <p>City staff has been discussing affordable housing development opportunities with the applicants on the Banning Ranch, Koll and Conexant projects and with other potential affordable housing developers. As part of the Master Plan Development of Banning Ranch and the Plans for Koll and Conexant, an AHIP will be prepared to address affordable housing requirements.</p>
2.2.6	Periodically contact known local developers and landowners to solicit new affordable housing construction.	<p><b><i>On-going</i></b></p> <p>The City Manager's Office and Economic Development Division periodically discuss the construction of new affordable housing with local developers and landowners.</p> <p>City staff introduces the idea of constructing affordable housing to developers who propose large residential projects and discuss density bonuses to assist in the construction of affordable housing.</p>
2.2.7	Participate in other housing assistance programs that assist production of housing.	<p><b><i>On-going</i></b></p> <p>City staff attends OCHA Cities Advisory Committee meetings to keep up-to-date with programs that assist in the production of housing.</p> <p>Staff informs developers of programs that are available to assist in the production of housing for all income levels.</p>
2.2.8	New developments which provide housing for lower income households that help meet regional needs shall have priority for the provision of available and	<p><b><i>On-going</i></b></p> <p>The City has provided a copy of the Housing Element to water</p>

	future resources or services, including water and sewer supply and services.	and sewer service providers. Pursuant to state law, water and sewer providers must grant priority to developments that include housing units affordable to lower income households.
2.3.1	Study housing impacts of proposed major commercial/industrial projects during the development review process. Prior to project approval, a housing impact assessment shall be developed by the City with the active involvement of the developer. Such assessment shall indicate the magnitude of jobs to be created by the project, where housing opportunities are expected to be available, and what measures (public and private) are requisite, if any, to ensure an adequate supply of housing for the projected labor force of the project and for any restrictions on development due to the "Charter Section 423" initiative.	<p><b><i>On-going</i></b></p> <p>Staff will consider developing housing impact fees for all new commercial and industrial developments as an additional or alternative resource for providing affordable housing.</p> <p>Staff monitors all new planning applications for applicability.</p>

PROGRAM	GOAL	STATUS
3.1.1	Provide a streamlined "fast-track" development review process for proposed affordable housing developments.	<p><b><i>On-going</i></b></p> <p>The City considers "fast track" development review incentives on a project-by- project basis.</p>
3.1.2	When a residential developer agrees to construct housing for persons and families of very low, low and moderate income above mandated requirements, the City shall either (1) grant a density bonus as required by state law, or (2) provide other incentives of equivalent financial value.	<p><b><i>On-going</i></b></p> <p>The City considers density bonuses and other incentives on a project-by-project basis. Chapter 20.32 Density Bonus is now included in the Zoning Code.</p>
3.1.3	Review and consider in accordance with state law, the waiver of planning and park fees, and modification of development standards, (e.g., setbacks, lot coverage, etc.) at the discretion of City Council and Planning Commission for developments containing very low, low- and moderate-income housing in proportion to the	<p><b><i>On-going</i></b></p> <p>Waivers and incentives are considered by the Planning Commission and City Council on a project-by-project basis. There were no projects during the 2010 calendar year.</p>

	number of low- and moderate-income units in each entire project.	
3.2.1	Identify the following sites as adequate, which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage development of a variety of housing types to meet City housing goals as identified pursuant to Government Code Section 65583(b): Banning Ranch, Airport Area, Newport Center, Mariners' Mile, and the Balboa Peninsula areas.	<p><b>Ongoing</b></p> <p>The City completed the comprehensive Zoning Code Update, which reflects changes to facilitate the development of the identified sites:</p> <ul style="list-style-type: none"> <li>▪ A conceptual development plan has been prepared for future residential development on the Koll and Conexant properties in the Airport Area and both property owners have submitted applications for zoning documents however, per the applicants request the projects were placed on-hold.</li> <li>▪ Banning Ranch application includes the development of a Planned Community Development Text. The draft EIR is anticipated to be circulated in spring 2011 and City Council approved the water supply assessment in October, 2010, concluding that there will be adequate water supplies to meet the demands of the Banning Ranch project.</li> </ul>
3.2.2	Update Zoning Code to reflect housing opportunities provided in the Land Use Element.	<p><b>Complete</b></p> <p>City Council adopted the comprehensive Zoning Code Update on October 26, 2010 which reflects new housing opportunities created by the 2006 General Plan Update.</p>
3.2.3	When requested by property owners, the City shall approve rezoning of developed or vacant property from non-residential to	<p><b>On-going</b></p> <p>No applications to rezone land</p>

	residential uses when appropriate. These rezoned properties shall be added to the list of sites for residential development.	for residential use, other than those noted in 3.2.1, were received.
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PROGRAM	GOAL	STATUS
4.1.1	Periodically contact owners of affordable units for those developments listed in Table H12 to obtain information regarding their plans for continuing affordability on their properties.	<b><i>On-going</i></b>  Staff maintains an updated contact list for affordable units in conjunction with the 2008 Housing Element Update.
4.1.2	Consult with the property owners regarding utilizing CDBG funds and in-lieu housing funds to maintain affordable housing opportunities in those developments listed in Table H12.	<b><i>On-going</i></b> <ul style="list-style-type: none"> <li>▪ Affordability covenants expired for Baywood Apartments (Villa Point I) and Newport North Apartments (Villa Point II), despite staff efforts to extend these covenants.</li> <li>▪ The City entered into an affordable housing agreement with Seaview Lutheran Plaza in late 2009 to extend the affordability covenant an additional 30 years in exchange for \$135,000 in affordable housing in-lieu funds to replace the deteriorated water distribution system. In 2010 the parties amended the agreement providing additional funds to replace the property's single check valve backflow device with a code approved device and thus continue in our efforts to maintain these 100 affordable units.</li> </ul>
4.1.3	Prepare written communication for tenants and other interested parties about Orange County Housing Authority Section 8 opportunities to assist tenants and prospective tenants to acquire additional understanding of housing law	<b><i>On-going</i></b>  Pamphlets informing prospective tenants and landlords about the OCHA Section 8 program have been



	and related policy issues.	made available in the public lobby and information is posted on the City website.
4.1.4	Investigate availability of federal, state, and local programs (including in-lieu funds) and pursue these programs if found feasible, for the preservation of existing low-income housing, especially for preservation of low-income housing that may increase to market rates during the next ten years. A list of these programs, including sources and funding amounts, will be identified as part of this program and maintained on an on-going basis.	<p><b>On-going</b></p> <p>The City has continued to investigate available programs and evaluate the feasibility of participating in such programs.</p>
4.2.1	Investigate the use of federal funds to provide technical and financial assistance, if necessary, to all eligible homeowners and residential rental property owners to rehabilitate existing dwelling units through low-interest loans or potential loans, or grants to very low-, low- and moderate-income, owner-occupants of residential properties to rehabilitate existing units.	<p><b>On-going</b></p> <p>The City investigates available programs and evaluates the feasibility of participating in such programs.</p> <ul style="list-style-type: none"> <li>City Council approved the Utility Connection Grant Program guidelines in order to provide utility hook-up assistance to low-income households in Newport Beach utility undergrounding Assessment Districts. The grant program was allocated \$65,922 in CDBG funds in the 2010-2011 fiscal year. The City expects to give grants to 3 homeowners prior to the end of the 2010-2011 fiscal year.</li> </ul>
4.2.2	In accordance with Government Code Section 65863.7, require a relocation impact report as a prerequisite for the closure or conversion of an existing mobile home park.	<p><b>On-going</b></p> <p>Consistent with state law, a detailed relocation impact report is a requirement for the permit for proposed closures or conversions. There were no closures or conversions in 2010.</p>

4.2.3	Should need arise, consider using a portion of its Community Development Block Grant funds for establishment and implementation of an emergency home repair program. Energy efficient products shall be required whenever appropriate.	<b><i>On-going</i></b>  A need for this program has not been demonstrated.
4.2.4	Participate as a member of the Orange County Housing Authority Advisory Committee and work in cooperation with the Orange County Housing Authority to provide Section 8 Rental Housing Assistance to residents of the community. The City shall, in cooperation with the Housing Authority, recommend and request use of modified fair market rent limits to increase number of housing units within the City that will be eligible to participate in the program. The Newport Beach Planning Department shall prepare and implement a publicity program to educate and encourage landlords within the City to rent their units to Section 8 Certificate holders and to make very low-income households aware of availability of the Section 8 Rental Housing Assistance Program.	<b><i>On-going</i></b>  Staff attends the quarterly meetings of the OCHA Cities Advisory Committee.  Staff continually works in cooperation with the County to provide Section 8 rental housing assistance to residents.  A link to the Orange County Housing Authority website has been placed on the City website to provide information on the Section 8 program.

PROGRAM	GOAL	STATUS
5.1.1	Apply for United States Department of Urban Development Community Development Block Grant funds and allocate a portion of such funds to sub-recipients who provide shelter and other services for the homeless.	<b><i>On-going</i></b>  Through the approved Action Plans for Fiscal year 2010-2011, the City provided funding to the following organizations to preserve the supply of emergency and transitional housing: Human Options, Families Forward, Serving People In Need (SPIN), and Fair Housing Council of Orange County.  The following organization has been funded to assist homeless battered women and children: Human Options.
5.1.2	Cooperate with the Orange County	<b><i>On-going</i></b>

	Housing Authority to pursue establishment of a Senior/Disabled or Limited Income Repair Loan and Grant Program to underwrite all or part of the cost of necessary housing modifications and repairs. Cooperation with the Orange County Housing Authority will include continuing City of Newport Beach participation in the Orange County Continuum of Care and continuing to provide CDBG funding.	The City refers low income residents to Orange County for rehabilitation of mobile homes, to Neighborhood Housing for first time buyer programs, and to Rebuilding Together for handyman service for low income and senior households.
5.1.3	Permit, where appropriate, development of "granny" units in single-family areas of the City.	<b><i>On-going</i></b>  No permits were requested or issued in 2010.
5.1.4	Consistent with development standards in residential and commercial areas, permit emergency shelters and transitional housing under group housing provisions in its Zoning Code.	<b><i>On-going</i></b>  Emergency shelters are permitted in the OA and PI Zones without the requirement of a use permit. This was provided for with the Zoning Code Update completed in October 2010.
5.1.5	Work with the City of Santa Ana to provide recommendations for the allocation of HUD Housing Opportunities for Persons with AIDS (HOPWA) funds within Orange County.	<b><i>On-going</i></b>  The City attended the annual HOPWA Strategy meeting and participated in providing recommendations for the allocations of HOPWA funds.
5.1.6	Maintain a list of "Public and Private Resources Available for Housing and Community Development Activities."	<b><i>On-going</i></b>  City maintains a list of resources that are available for housing and community development activities. A list of resources and links are provided on the City's website.

PROGRAM	GOAL	STATUS
6.1.1	Contract with an appropriate fair housing service agency for the provision of fair housing services for Newport Beach residents. The City will also work with the fair housing service agency to assist with	<b><i>On-going</i></b>  The City contracted with the OC Fair Housing Council to provide these services in 2009-10 and

	the periodic update of the Analysis of Impediments to Fair Housing document required by HUD. The City will continue to provide pamphlets containing information related to fair housing at the Planning Department counter.	<p>2010-11.</p> <p>The City provided information to the Fair Housing Council of Orange County to complete the Regional Fair Housing Impediments Analysis in 2010. Approval by Council is anticipated in April 2011.</p> <p>Pamphlets containing information of Fair Housing and Dispute Resolution Services are available at the public counter.</p>
6.1.2	Support fair housing opportunities by using Community Development Block Grant funds whenever necessary to enact federal, state, and City fair housing policies.	<p><b><i>On-going</i></b></p> <p>In 2010-2011, the City allocated \$11,185 in CDBG funding to the Fair Housing Council of Orange County to assist the City in furthering fair housing through education, landlord/tenant counseling, and legal action when necessary.</p>

PROGRAM	GOAL	STATUS
7.1.1	As part of its annual General Plan Review, the City shall report on the status of all housing programs. The portion of the Annual Report discussing Housing Programs is to be distributed to the California Department of Housing and Community Development in accordance with California State Law.	<p><b><i>On-going</i></b></p> <p>This annual Housing Element Progress Report will be submitted to HCD.</p>